

Claims

What is claimed is:

1. A method for facilitating a financial investment in at least one accounts receivable owned by a first person, comprising the steps performed by a systems manager using a computer-based system of:
 - (a) enrolling the at least one accounts receivable owned by the first person as a lot for a trade using a computer database;
 - (b) receiving at least one bid from at least one bidder for purchasing the lot; and,
 - (c) determining the result of the trade for the lot.wherein each account receivable of the at least one accounts receivable is associated with a merchant's buyer and a merchant.
2. The method of claim 1, wherein the step of determining the most favorable bid comprises the steps of:
 - (a) advising the owner of the bids received;
 - (b) receiving from the owner a direction on the outcome result of the trade, the direction comprising one selected from the group consisting of:
 - acceptance of a successful bid received from a successful bidder in accordance with a pre-determined set of rules; and,
 - rejection of all the bids; and,
 - (c) notifying the at least one bidder of the result.
3. The method of claim 1, further comprising the step of requiring the merchant to enhance the credit quality of each of the at least one accounts receivable in order to bring the credit quality of the at least one accounts receivable up to investment grade.
4. The method of claim 3, wherein the merchant enhances the credit quality by procuring credit enhancement from a credit enhancer up to a pre-determined percentage of the value of the accounts receivable.
5. The method of claim 4, wherein credit enhancement is procured by obtaining credit insurance from an insurance provider possessing an investment grade

credit rating.

6. The method of any of claims 3 to 5, wherein the at least one accounts receivable, having enhanced credit quality, is a financial instrument.
7. The method of claim 1, further comprising the step of providing information on the lot of at least one accounts receivable for examination by prospective bidders.
8. The method of claim 7, wherein the information is stored in a computer database and electronically accessible.
9. The method of claims 1 and 2, further comprising the step of transferring the title of the at least one accounts receivable from the first person to a successful bidder, if any, the successful bidder becoming the owner.
10. The method of claims 9, further comprising the step of facilitating the transfer of funds from the successful bidder, if any, to the first person.
11. The method of claim 1, further comprising the steps of:
 - (a) transferring the ownership of the at least one accounts receivable from the owner to a successful bidder, if any; and,
 - (b) facilitating the transfer of funds from the successful bidder, if any, to the owner.
12. The method of any of claims 1, 2, or 7 to 11, further comprising the step of managing the at least one accounts receivable in the lot on behalf of the owner.
13. The method of any of claims 3 to 6, further comprising the step of managing the at least one accounts receivable in the lot on behalf of the owner.
14. The method of any of claims 12 or 13, wherein the step of managing the at least one accounts receivable comprises:

- (a) maintaining contact with the associated merchant's buyers in order to effect timely discharge of indebtedness associated with the at least one accounts receivable;
 - (b) receiving a payment from a merchant's buyer associated with the at least one accounts receivable;
 - (c) sending a receipt for the payment associated with the at least one accounts receivable to the merchant's buyer;
 - (d) forwarding the payment to the owner of the at least one accounts receivable;
 - (e) updating the computer database recording the relevant payment; and,
 - (f) recording all transactions with regard to the management of the at least one account receivable in the computer database.
15. The method of any of claims 1 and 2, wherein the trade is a primary market transaction concerning the sale of at least one accounts receivable from the first person, being the merchant of the at least one accounts receivable, to a successful bidder.
16. The method of any of claims 1 and 2, wherein the trade is a secondary market transaction concerning the sale of at least one accounts receivable from the first person, being the owner of the at least one accounts receivable, to a successful bidder.
17. The method of any of claims 1 and 2, wherein the trade is a distressed accounts receivable market transaction.
18. The method of any of claims 4 to 6, and 13, wherein the step of enrolling the at least one accounts receivable comprises receiving a fund from the first person, the fund to be held in escrow for settling future disputes concerning the at least one accounts receivable, such disputes comprising one or both of:
- (a) the quality of goods or services rendered in relation to the at least one accounts receivable; and,

(b) provision of capital to fund the difference between the nominal value of the at least one accounts receivable and the payment received from the credit enhancement facilitator.

19. The method of any of claims 12 or 14, wherein upon a merchant's buyer not making a payment timeously to discharge the debt associated with a first accounts receivable being one of the at least one accounts receivable according to the terms of the at least one accounts receivable, the step of managing the at least one accounts receivable comprises consulting with owner of the at least one accounts receivable to determine the course of action, said course of action comprising one selected from the group consisting of:

- (a) the owner waiting for the merchant's buyer to make the payment; and,
- (b) the owner waiting for resolution of a dispute between the first owner and the merchant's buyer relating to the first accounts receivable before receiving the payment.

20. The method of claim 13, wherein upon a merchant's buyer not making a payment timeously to discharge the debt associated with a first accounts receivable being one of the at least one accounts receivable according to the terms of the at least one accounts receivable, the step of managing the at least one accounts receivable comprises consulting with owner of the at least one accounts receivable to determine the course of action, said course of action comprising one selected from the group consisting of:

- (a) the owner waiting for the merchant's buyer to make the payment;
- (b) the owner waiting for resolution of a dispute between the first owner and the merchant's buyer relating to the first accounts receivable before receiving the payment; and,
- (c) the owner waiting for the provider of credit enhancement and the original owner to fulfill restitutional obligations.

21. The method of any of claims 19 or 20, wherein the trade is a distressed accounts receivable market transaction, and the group of courses of action further includes disposing of the first accounts receivable through the distressed accounts receivable market.

22. A system for facilitating a financial investment in at least one accounts receivable owned by a first person, operated by a systems manager, comprising electronic processors and electronic input-output devices which are adapted to communicate information using language, icons and graphical images, a computer database, and a communication network, wherein:
 - (a) the at least one accounts receivable owned by the first person is enrolled as a lot for the trade in the computer database;
 - (b) at least one bid from at least one bidder is received for purchasing the lot; and,
 - (c) the result of the trade for the lot is determined,wherein each account receivable of the at least one accounts receivable is associated with a merchant's buyer.
23. The system of claim 22, further comprising information on the lot of at least one accounts receivable stored in the computer database electronically for examination by wherein the information is electronically accessible.
24. The system of claim 22, further comprising a subsystem for transferring the title of the at least one accounts receivable from the first person to a successful bidder, the successful bidder becoming the owner.
25. The system of claim 23, further comprising a subsystem for facilitating the transfer of funds from a successful bidder to the first person.
26. The system of claim 22, further comprising a subsystem for managing the at least one accounts receivable in the lot on behalf of the owner, wherein the systems manager, assisted by an electronic processor of the system:
 - (a) maintains contact with the associated merchant's buyers in order to effect timely discharge of indebtedness associated with the at least one accounts receivable;
 - (b) receives a payment from a merchant's buyer associated with the at least one accounts receivable;
 - (c) sends a receipt for the payment associated with the at least one accounts receivable to the merchant's buyer;

- (d) forwards the payment to the owner of the at least one accounts receivable;
- (e) updates the computer database recording the payment; and,
- (f) maintains the computer database recording all transactions with regard to the management of the at least one account receivable.

27. The system of claim 23, wherein the trade is a primary market transaction concerning the sale of at least one accounts receivable from the first person, being the originating merchant of the at least one accounts receivable, to a successful bidder.
28. The system of claim 23, wherein the trade is a secondary market transaction concerning the sale of at least one accounts receivable from the first person, being the owner of the at least one accounts receivable, to a successful bidder.
29. The system of claim 23, wherein the trade is a distressed accounts receivable market transaction.
30. A financial instrument for financial investment using a computer-based system comprising at least one accounts receivable owned by a first person, each account receivable of the at least one accounts receivable being associated with a merchant's buyer and a merchant, wherein a systems manager using the computer-based system:
 - (a) enrolls the at least one accounts receivable owned by the first person as a lot for the trade in a computer database;
 - (b) receives at least one bid from at least one bidder for purchasing the lot;
 - (c) determines the result of the trade for the lot; andthe merchant enhances the credit quality of each of the at least one accounts receivable for bringing the credit quality of the at least one accounts receivable up to investment grade.
31. The financial instrument of claim 30, wherein the merchant enhances the credit quality by procuring credit enhancement from a credit enhancer up to a pre-determined percentage of the value of the accounts receivable.

32. The financial instrument of claim 31, wherein credit enhancement is procured by obtaining credit insurance from an insurance provider possessing an investment grade credit rating.
33. The financial instrument of claim 30, wherein the systems manager determines the most favorable bid by performing the steps of:
 - (a) advising the owner concerning the bids received;
 - (b) receiving from the owner a direction on the outcome of the trade, the direction comprising one selected from the group consisting of:
 - acceptance of a successful bid received from a successful bidder in accordance with a pre-determined set of rules; and,
 - rejection of all the bids; and,
 - (c) notifying the at least one bidder of the direction.
34. The financial instrument of claim 30, wherein information on the lot of at least one accounts receivable is provided for examination by prospective bidders, the information being stored in a computer database and electronically accessible.
35. The financial instrument of claim 30, the systems manager using the computer-based system further:
 - (a) transfers the ownership of the at least one accounts receivable from the owner to a successful bidder, if any; and,
 - (b) facilitates the transfer of funds from the successful bidder, if any, to the owner.
36. The financial instrument of any of claims 30, the systems manager further manages the at least one accounts receivable in the lot on behalf of the owner.
37. The financial instrument of claim 37, wherein the systems manager manages the at least one accounts receivable by performing the steps of:
 - (a) maintaining contact with the associated merchant's buyers in order to effect timely discharge of indebtedness associated with the at least one accounts receivable;

- (b) receiving a payment from a merchant's buyer associated with the at least one accounts receivable;
- (c) sending a receipt for the payment associated with the at least one accounts receivable to the merchant's buyer;
- (d) forwarding the payment to the owner of the at least one accounts receivable;
- (e) updating the computer database recording the relevant payment; and,
- (f) recording all transactions with regard to the management of the at least one account receivable in the computer database.

38. The financial instrument of claim 30, wherein the trade is one selected from the group consisting of:
- a primary market transaction concerning the sale of at least one accounts receivable from the first person, being the merchant of the at least one accounts receivable, to a successful bidder;
 - a secondary market transaction concerning the sale of at least one accounts receivable from the first person, being the owner of the at least one accounts receivable, to a successful bidder; and,
 - a distressed accounts receivable market transaction.
39. The financial instrument of any of claims 36 or 37, wherein upon a merchant's buyer not making a payment timeously to discharge the debt associated with a first accounts receivable being one of the at least one accounts receivable according to the terms of the at least one accounts receivable, the step of managing the at least one accounts receivable comprises consulting with owner of the at least one accounts receivable to determine the course of action, said course of action comprising one selected from the group consisting of:
- (a) the owner waiting for the merchant's buyer to make the payment; and,
 - (b) the owner waiting for resolution of a dispute between the first owner and the merchant's buyer relating to the first accounts receivable before receiving the payment;
 - (c) the owner waiting for the provider of credit enhancement and the original owner to fulfill restitutional obligations; and,

- (d) where the trade is a distressed accounts receivable market transaction, the owner disposing of the first accounts receivable through the distressed accounts receivable market.